

DE 529 EDUCATION SAVINGS PLAN

2023 Q2 BUSINESS UPDATE

PLANS MANAGEMENT BOARD

SEPTEMBER 2023 MEETING



2017	\$681 million
2018	\$624.3 million
2019	<i>\$684.4 million</i>
2020	<i>\$728.0 million</i>
2021	<i>\$747.3 million</i>
2022 (12.31)	<i>\$612.67 million</i>
2023 Q2	<i>\$650.4 million</i>

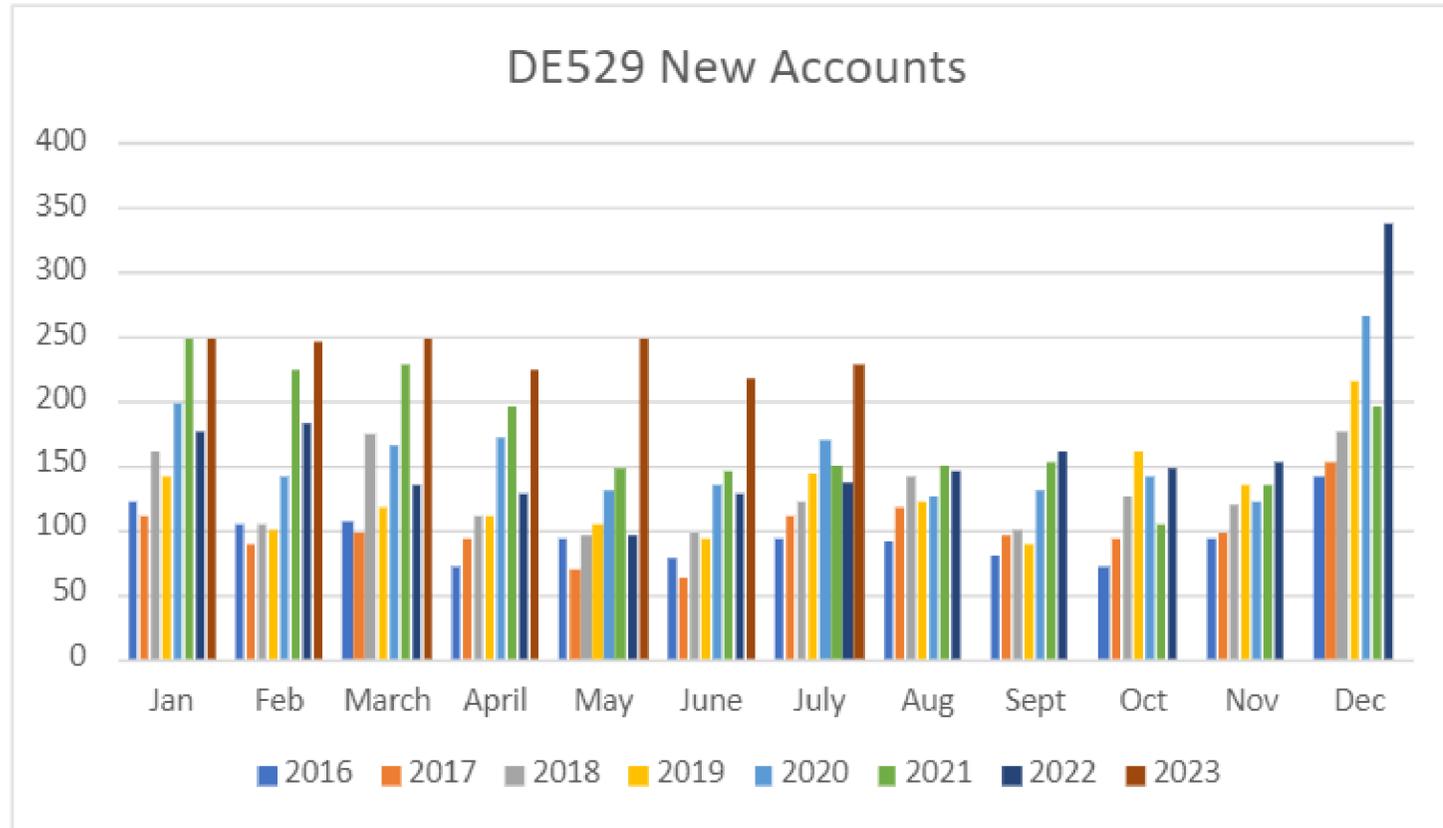
Aged Based Portfolios

- **\$438 million or 68% of total plan assets**
- *Active Age-Based* (\$313.1 million or 48% of total assets)
- *Blend Age- Based* (\$16.1 million of 3% of total assets)
- *Index Age-Based* (\$114.0 million or 18% of total assets)

Static Portfolios /Individual Funds/ and Bank Deposit Portfolio

- **32% of total plan assets**
- \$207.2 million

As of 6.30.23



- ***New accounts continue to grow year over year (41%)***
- ***One of the fastest growing direct-sold plans in the country***

DE 529 New Accounts

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	YOY
2016	121	104	106	72	92	77	92	91	80	71	94	140	1,140	
2017	111	88	98	92	69	63	110	117	96	92	97	151	1,184	
2018	160	105	174	110	95	97	121	140	99	126	120	175	1,522	22%
2019	141	100	118	111	103	93	143	122	88	160	135	216	1,530	1%
2020	197	142	165	172	131	135	170	125	130	140	121	266	1,894	19%
2021	247	225	228	195	147	145	150	149	151	105	134	196	2,072	9%
2022	176	182	134	128	95	128	137	146	161	147	152	337	1,923	-8%
2023	248	246	247	224	247	218	229						1,659	41%

Q2 comparison

First month of incentive in 2022 over 2023



2021-2022 - No Incentive Program													
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
DE529 Accounts	150	149	151	105	134	196	176	182	134	128	95	128	1,728
DE529 Accounts (Under 5)	79	74	65	51	65	96	72	89	72	72	42	50	827
Out of State Accounts	46	48	47	25	37	91	55	64	50	35	26	33	557
Out of State Accounts (Under 5)	24	21	25	13	12	38	19	27	17	20	7	12	235
Delaware (Resident/Beneficiaries) DE529 Accounts	104	101	104	80	97	105	121	118	84	93	69	95	1,171
Delaware (Resident/Beneficiaries) DE 529 Accounts (under 5)	55	53	40	38	53	58	53	62	55	52	35	38	592

2022-2023 - Incentive Program													
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
DE529 Accounts	137	146	161	147	152	337	248	246	247	224	247	218	2,510
DE529 Accounts (Under 5)	67	82	62	61	68	206	117	115	106	104	110	96	1,194
Out of State Accounts	34	42	65	58	57	95	99	130	116	90	120	69	975
Out of State Accounts (Under 5)	15	21	12	9	16	43	35	44	35	31	44	29	334
Delaware (Resident/Beneficiaries) DE529 Accounts	103	104	96	89	95	242	149	116	131	134	127	149	1,535
Delaware (Resident/Beneficiaries) DE 529 Accounts (under 5)	52	61	50	52	52	163	82	71	71	73	66	67	860

Period Over Period Growth
45%
44%
75%
42%
31%
45%

- **Overall total accounts are up 45% over non-incentive period**
- **Out of state total accounts are up 75%**
- **Total DE529 accounts opened by Delaware residents for beneficiaries under the age of 5 up 45%**



529 PLAN- PROMOTION AND OUTREACH





Upcoming Promotions



UD Football – Fall 2023



October 13-14, 2023



Thanksgiving Through New Year's Day





- 529 Annual Rating Interview on September 27th
- Ratings announced late October



- Promoting “College Savings Month” in September
- Advocacy work on SECURE Act 2.0 and 529 rollovers to Roth IRAs
- CSPN National Survey of College Savers Report to be released in October
- Treasurer Davis sits on Executive Board of CSPN



APPENDIX





Program Summary:

Delaware’s 529 Plan, also known as DE529, is sponsored by the State of Delaware and managed by Fidelity Investments. The Plan provides tax-advantaged accounts designed to help parents, grandparents and others pay for education expenses, reducing the possibility of debt. Contributions can be invested in portfolios tailored to a person’s age or the investor’s ability to identify an asset allocation strategy.

① GROW ACCOUNTS

- Goal One – Further Optimize Fidelity Marketing and DE529 Plan Marketing Spend
- Goal Two – Test and Implement a Match Incentive Program
- Goal Three – Establish Partnerships with Top Three Birthing Hospitals in Delaware
- Goal Four –Partner with Delaware Public Schools
- Goal Five –Workplace Messaging

② INCREASE CONTRIBUTIONS

- Goal One – Support HB145 Tax incentive legislation within Delaware to attract additional contributions
- Goal Two – Test and Implement a Match Incentive Program
- Goal Three –Collaborate with Fidelity on Gifting Tool Promotion and Employer Contributions

③ BUILD TOP TIER PLAN

- Goal One – Create a “State Collective” of Fidelity 529 Plans
- Goal Two – Continue to Strengthen Oversight with Board and Committees
- Goal Three – Implement Strategy for Administrative Fee Balances
- Goal Four –Pass HB145 Tax Incentive
- Goal Five –Scholarship Pilot (Foster Youth)

Focus Timeline

2021

- ✓ RFP for Plan
- ✓ Rebranding of plan

2022

- ✓ Test Match Incentive Program (May 29th)
- ✓ Support HB145 Tax Incentive
- ✓ Top birthing hospital partnerships
- Implement strategy for administrative fee balances
- ✓ Scholarship Pilot

2023

- Workplace messaging/employer campaigns
- ✓ Match Incentive Program assessment
- Collaborate with Fidelity on workplace
- Promotion of gifting tool
- Host virtual “State Collective” Summit
- ✓ Scholarship Pilot

2024

- Morningstar Medal Assessment
- Scholarship Pilot



• Green font represent “always on” efforts